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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/954,939	09/17/2001	Alan T. Rudy	3982400-133539	8222

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EXAMINER
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GLASS, RUSSELL S

ART UNIT	PAPER NUMBER
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3626

DATE MAILED: 03/02/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>		<b>Applicant(s)</b>	
	09/954,939		RUDY, ALAN T.	
	<b>Examiner</b>		<b>Art Unit</b>	
	Russell S. Glass		3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 17 September 2001.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-24 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-24 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)             | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)    | Paper No(s)/Mail Date. _____  |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____   | 6) <input type="checkbox"/> Other: _____                                    |

**DETAILED ACTION**

***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

1. Claims 1-24 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.
2. As per claim 1, the claim fails to state who or what is doing the steps of: verifying current eligibility and making a fixed, periodic payment.
3. As per claim 4, the claim fails to state who or what is doing the steps of: sending medical goods to the consumer.
4. As per claim 5, the claim fails to state who or what is doing the steps of: requesting payment from the consumer.
5. As per claim 6, the claim fails to state who or what is doing the steps of: requesting payment from the consumer.
6. As per claim 8, the claim fails to state who or what is doing the steps of: receiving an invoice and making payment.
7. As per claim 9, the claim fails to state who or what is doing the steps of: receiving a manufacturer's rebate.
8. As per claim 11, the claim fails to state who or what is doing the steps of: receiving transfer of ownership.

9. As per claim 12, the claim fails to state who or what is doing the steps of: receiving an invoice and making payment.

10. As per claim 13, the claim fails to state who or what is doing the steps of: making a variable periodic payment.

11. As per claim 14, the claim fails to state who or what is doing the steps of: forwarding eligibility information, directing the consumer to make an assignment of the benefits, forwarding evidence of the assignment, and receiving from the benefit manager a fixed, periodic payment.

12. As per claim 16, the claim fails to state who or what is doing the steps of: informing the consumer.

13. As per claim 19, the claim fails to state who or what is doing the steps of: receiving verification of the consumer's eligibility.

14. As per claim 21, the claim fails to state who or what is doing the steps of: obtaining medical goods.

15. As per claim 23, the claim fails to state who or what is doing the steps of: sending an invoice and receiving payment.

16. As per claim 24, the claim fails to state who or what is doing the steps of: receiving variable, periodic payment.

17. As per claims 2, 3, 7, 10, 15, 17, 18, and 22, these claims are rejected as being dependant upon rejected claims.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

18. Claims 1-8, 10-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over the background of the invention, in view of Berg, (U.S. Pub. 2002/0069088), and further in view of Kessler et al., (U.S. 2001/0034618), and further in view of Hogan, (U.S. Pub. 2005/0033604).

19. As per claim 1, the collective system of the Background of the Invention, Berg, Kessler and Hogan suggest a method of providing medical goods and services to consumers through retail outlets, said method comprising the steps of, in combination:

- (a) verifying current eligibility of a consumer for benefits from a health benefit provider for medical goods and services desired by the consumer. (Background, ¶ 6);
- (b) wherein the current eligibility of the consumer is verified while the consumer is present at a retail outlet, (Background, ¶ 6-7);
- (c) receiving an assignment from the consumer to a benefit manager, that assigns all rights to the benefits from the health benefit provider for medical goods dispensed to the consumer.

The background of the invention fails to disclose the assignment of benefits to a benefit manager. However, the background of the invention discloses a consumer

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assigning health benefits to a supplier in exchange for goods and services without an up-front payment, (Background, ¶ 7). Furthermore, It is well-known that benefit managers take accounts receivable from health care providers, which are funded by patient insurance, in order to provide medical goods to customers without an up-front payment, (Berg, ¶ 4, 5, 10)(The contract pharmacy are considered to be equivalent to a benefit manager because they both can act as agents and/or intermediaries for the health care providers). The benefits manager and the health care provider are adjacent links in a supply chain that are bound together through an agency relationship.

(d) wherein the retail outlet and the benefit manager are separate entities, (Kessler, Fig. 1B; ¶ 113-116);

(e) completing and submitting a claim to the health benefit provider for reimbursement for the medical goods dispensed to the consumer, (Background, ¶ 6);

(f) receiving reimbursement from the health benefit provider for the medical goods dispensed to the consumer, (Background, ¶ 6); and

(g) making a fixed, periodic payment to the retail outlet for services rendered to the consumer by the retail outlet, on behalf of the benefit manager.

Hogan discloses making periodic fixed payments from an insurance company to a provider, (Hogan, ¶ 56-58) (a provider is equivalent to a retail outlet). Hogan fails to disclose making the payments on behalf of a benefit manager. Kessler discloses an insurance company administering benefits on behalf of a benefits manager, (Kessler, Fig. 1B; ¶ 113-116).

It would be obvious to one of ordinary skill in the art at the time of the invention to combine the Background of the Invention with Berg. The motivation would be to allow the patient to receive medical goods, and to compensate the provider for the medical goods provided, prior to reimbursement from the patient's insurance company, (Berg, ¶ 10).

It would be obvious to one of ordinary skill in the art at the time of the invention to add Hogan to the collective system of the Background of the Invention and Berg. The motivation would have been to effectuate payment of a service for the benefit of a first party, performed by a second party and facilitated by a third party, (Hogan, Abstract).

It would be obvious to one of ordinary skill in the art to add Kessler to the collective system of the Background of the Invention, Berg, and Hogan. The motivation would have been to increase health care efficiency by using the benefits manager to negotiate for lower prices and better service in exchange for selling the products of the manufacturer, (Kessler, ¶ 116).

20. As per claim 2, The Background of the Invention discloses a method wherein the step of verifying current eligibility of the consumer includes the step of receiving information from the retail outlet (Background, ¶ 6). However, the Background of the Invention fails to verify via a pharmacy benefits management (PBM) computer system.

A pharmacy benefits management (PBM) computer system is well known in the art as evidenced by Kessler, (Kessler, Fig. 1B; ¶ 113-116).

The motivation to include Kessler in the collective system formed by the Background of the Invention, Berg, Hogan, and Kessler is as provided in the rejection of

claim 1 and incorporated herein by reference.

21. As per claim 3, The Background of the Invention discloses a method further comprising the step of providing the medical goods and services to the consumer at the retail outlet immediately when the consumer requests the medical goods and services while at the retail outlet, (Background, ¶ 6).

22. As per claim 4, The Background of the Invention discloses a method further comprising the step of sending the medical goods to the consumer at a time later than when the consumer requests the medical goods and services while at the retail outlet, (Background, ¶ 7).

23. As per claim 5, The Background of the Invention discloses a method further comprising the step of requesting payment from the consumer for a share of the amount due pursuant to guidelines of the health benefit provider, (Background, ¶ 7).

24. As per claim 6, The Background of the Invention discloses a method wherein the step of requesting payment from the consumer for the share of the amount due is made at a time later than when the consumer requests the medical goods and services while at the retail outlet, (Background, ¶ 7).

25. As per claim 7, The Background of the Invention discloses a method wherein the step of requesting payment from the consumer for the share of the amount due is made when the consumer requests the medical goods and services while at the retail outlet, (Background, ¶ 7).

26. As per claim 8, The Background of the Invention discloses a method further comprising the steps of receiving an invoice for drop-shipped medical goods from a



manufacturer and making payment for the invoice to the manufacturer, (Background, ¶ 7) (Mail order is considered to be equivalent to drop-shipping, and filing a claim for reimbursement is equivalent to invoicing).

27. As per claim 10, The Background of the Invention discloses a method further comprising using a retail outlet for distribution to the consumer, (Background, ¶ 7). However, the Background of the Invention fails to include the step of the benefit manager obtaining medical goods and directing the medical goods.

Using a benefit manager to obtaining medical goods and directing the medical goods is well-known in the art as evidenced by Kessler, (Kessler, Fig. 1B; ¶ 113-116).

It would be obvious to one of ordinary skill in the art to add Kessler to the collective system of claim 1. The motivation would have been to increase health care efficiency by using the benefits manager to negotiate for lower prices and better service in exchange for selling the products of the manufacturer, (Kessler, ¶ 116).

28. As per claim 11, Berg discloses a method further comprising the step of receiving transfer of ownership from the retail outlet for medical goods located at the retail outlet for distribution to the consumer, (Berg, ¶ 10) (receiving transfer of ownership from the retail outlet is equivalent to a covered entity relinquishing accounts receivable).

It would be obvious to one of ordinary skill in the art to combine the collective system in claim 1 with Berg. The motivation would be to allow the patient to receive medical goods, and to compensate the provider for the medical goods provided, prior to reimbursement from the patient's insurance company, (Berg, ¶ 10).

29. As per claim 12, Berg discloses a method further comprising the steps of

receiving an invoice for the medical goods from the retail outlet and making payment for the invoice to the retail outlet, ((Berg, ¶ 10) (receiving an invoice for the medical goods from the retail outlet and making payment for the invoice to the retail outlet is equivalent to a covered entity relinquishing accounts receivable and upon receipt of the accounts receivable, being compensated).

It would be obvious to one of ordinary skill in the art to combine the collective system in claim 1 with Berg. The motivation would be to allow the patient to receive medical goods, and to compensate the provider for the medical goods provided, prior to reimbursement from the patient's insurance company, (Berg, ¶ 10).

30. As per claim 13, Hogan suggests the method further comprising the step of making a variable, periodic payment to the retail outlet for services rendered to the consumer by the retail outlet in addition to the fixed, periodic payment. (Hogan, ¶ 56-58, 69) (a provider is equivalent to a retail outlet, and the patient and provider could agree on a different amount at different times, thus making the payments to the provider variable). Hogan fails to disclose making variable periodic payments in addition to fixed payments.

However, these differences are found in non-functional information describing the frequency and amount of payments. The payment plan details such as fixed, variable and periodic are not functionally related to the method of providing medical goods and services to consumers through retail outlets because they have no relation to the out-of-pocket expenses of the consumer. Thus, this descriptive information will not distinguish the claimed invention from the prior art in terms of patentability, (*In re Gulack*, 703 F.2d

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1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983) (when descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention from the prior art in terms of patentability).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to use fixed, variable, or periodic payments to a retail outlet because such differences do not relate to the function of the invention and merely an obvious matter of design choice, (*In re Kuhle*, 526 F.2d 553, 188 USPQ 7 (CCPA 1975). The motivation would be to create a method for effectuating payment of a service for the benefit of a first party, performed by a second party and facilitated by a third party, (Hogan, Abstract).

31. Claim 14 contains substantially the same limitations as claim 1 and the rejection of claim 1 under the collective system of the Background of the Invention, Berg, Kessler and Hogan is incorporated herein by reference.

32. Claim 15 contains substantially the same limitations as claim 3 and the rejection of claim 3 under the collective system of the Background of the Invention, Berg, Kessler and Hogan is incorporated herein by reference.

33. Claim 16 contains substantially the same limitations as claim 4 and the rejection of claim 4 under the collective system of the Background of the Invention, Berg, Kessler and Hogan is incorporated herein by reference.

34. Claim 17 contains substantially the same limitations as claim 2 and the rejection of claim 2 under the collective system of the Background of the Invention, Berg, Kessler and Hogan is incorporated herein by reference.

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35. Claim 18 contains substantially the same limitations as claim 7 and the rejection of claim 7 under the collective system of the Background of the Invention, Berg, Kessler and Hogan is incorporated herein by reference.

36. As per claim 19, Kessler discloses a method comprising the step of receiving verification of the consumer's eligibility for benefits from the benefit manager, (Kessler, Fig. 1B; ¶ 113-116).

37. As per claim 20, Berg discloses a method further comprising the step of obtaining medical goods owned by the benefit manager for distribution to the consumer, (Berg, ¶ 4,5 and 10).

The contract pharmacy is considered to be equivalent to a benefit manager because they both can act as agents and/or intermediaries for the health care providers. The contract pharmacy takes the accounts receivable and incurs a debt for the expense of the goods obtained from the manufacturer. The contract pharmacy pays the provider for the accounts receivable, and is made whole for the debt by payments from the patient or the patients insurance company. The concept is to transfer the risk of nonpayment to the contract pharmacy, i.e. benefit manager.

It would be obvious to one of ordinary skill in the art to provide pharmaceuticals and other medical goods via the system disclosed by Berg. The motivation would be to allow the patient to receive medical goods, and to compensate the provider for the medical goods provided, prior to reimbursement from the patient's insurance company, (Berg, ¶ 10).

38. As per claim 21, The Background of the Invention discloses a method wherein the step of obtaining medical goods owned by the retail outlet for distribution to the consumer, (Background, ¶ 7).

39. As per claim 21, the Background of the Invention discloses dispensing medical goods to the consumer from a retail outlet. However, the Background of the Invention fails to disclose the step of transferring ownership of medical goods from the retail outlet to the benefit manager.

Berg discloses that accounts receivable of a patient are transferred from a health care provider to a contract pharmacy, (Berg, ¶ 4,5 and 10)(contract pharmacy is equivalent to a benefit manager). Transferring accounts receivable is considered to be equivalent to transferring ownership of goods without transferring the physical goods because both methods transfer the risk of nonpayment for consumer goods from the seller to a third party.

It would be obvious to one of ordinary skill in the art to transfer ownership of goods from a retail outlet to a benefit manager. The motivation would be to allow the patient to receive medical goods from a retail outlet prior to reimbursement from the patient's insurance company, (Berg, ¶ 10).

40. As per claim 23, Kessler discloses a method further comprising the steps of sending an invoice for the medical goods to the benefit manager and receiving payment for the invoice from the benefit manager, (Kessler, ¶ 115) (Billing is considered to be equivalent to invoicing).

41. Claim 24 contains substantially the same limitations as claim 13 and the rejection

of claim 13 under the collective system of the Background of the Invention, Berg, Kessler and Hogan is incorporated herein by reference.

42. Claim 9 is rejected under 35 U.S.C. 103(a) as being unpatentable over the background of the invention; in view of Berg, (U.S. Pub. 2002/0069088); and further in view of Kessler et al., (U.S. 2001/0034618); and further in view of Hogan, (U.S. Pub. 2005/0033604); and further in view of Oscar et al., (U.S. Pub. 2001/0037216).

43. As per claim 9, the collective system of the Background of the Invention, Kessler, Hogan, and Berg disclose the method of claim 1. However, the system fails to disclose a method further comprising the step of receiving a manufacturer rebate.

Manufacturers rebates are well-known in the art as evidenced by Oscar, (Oscar, ¶ 8, 10, 60).

The motivation to combine the references in the collective system of the Background of the Invention, Kessler, Hogan, and Berg is as provided in the rejection of claim 1 and incorporated herein by reference.

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the collective system of the Background of the Invention, Kessler, Hogan, and Berg with that of Oscar. The motivation would have been to reduce costs associated with the distribution of medical goods and services such as pharmacy benefits, (Oscar, ¶ 3).

### ***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure is as follows: Boyer et al., (U.S. 6,208,973); Albaum et al., (U.S. 5,758,095); Edelson et al., (U.S. 5,737,539); Klesse, (U.S. 5,583,760); Barks et al., (5,644,778); Moore et al., (U.S. 5,930,759); Rieker et al., (U.S. 5,832,447); Mayaud, (U.S. Pub. 2002/0144884); and, Morey, (U.S. Pub. 2005/0182656).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Russell S. Glass whose telephone number is 571-272-3132. The examiner can normally be reached on M-F 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on 571-272-6776. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

RSG  
11/21/05

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